

The CRUDE Coalition
Consumers and Refiners United for Domestic Energy
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December 18, 2014

The Hon. Ed Whitfield, Chairman
Energy & Power Subcommittee
Energy & Commerce Committee
U.S. House of Representatives
2184 Rayburn HOB
Washington, DC 20515

The Hon. Bobby Rush, Ranking Member
Energy & Power Subcommittee
Energy & Commerce Committee
U.S. House of Representatives
2268 Rayburn HOB
Washington, DC 20515

**RE: Energy & Power Subcommittee Hearing, “The Energy Policy and Conservation Act of 1975:
Are We Positioning America for Success in an Era of Energy Abundance?”**

Dear Chairman Whitfield and Ranking Member Rush:

The CRUDE Coalition (Consumers & Refiners United for Domestic Energy) would like to thank the Energy & Power Subcommittee for holding the recent hearing on the Energy Policy and Conservation Act of 1975. As was made abundantly clear at the hearing, any attempt to lift U.S. crude oil export restrictions is a complicated one, with implications for American consumers and the domestic refining industry.

During the hearing, some questions were raised as to the capacity of U.S. refiners to keep up with the increasing production of light tight oil (LTO) produced domestically. Very simply, U.S. refineries have the capacity to process every drop of American LTO.

This was amply demonstrated in a recent study performed by Baker & O’Brien, Inc., a Houston-based consultancy. In the study, Baker & O’Brien notes that the U.S. refining system is expected to have capacity to process all the LTO that will be produced for the remainder of this decade, assuming LTO production is within range of forecasts prepared by the U.S. Energy Information Administration in their 2014 Annual Energy Outlook (AEO).

Indeed, Baker & O’Brien estimates that the U.S. refining industry will have capacity to absorb an additional 3.1 to 4.3 million barrels of LTO per day by 2020 compared to Q4 2013. This range of absorption exceeds even the most optimistic scenario for production by EIA’s 2014 Annual Energy Outlook.

We respectfully ask that this letter and the attached Baker & O’Brien Report be submitted for inclusion in the record.

In addition to the refining capacity issue, we want to highlight for the subcommittee some salient facts. According to the U.S. Energy Information Administration:

- In 1974, the U.S. produced 8.7 million barrels of oil a day; today, we produce about 8.3 million barrels a day.
- In 1974, the U.S. imported 3.4 million barrels of oil a day; today, we import over 7 million barrels a day.

These facts show that America is nowhere near energy independence or self-sufficiency. Accordingly, lifting restrictions on exports of domestic crude oil is simply not warranted.

Respectfully submitted,

Jay Hauck
Executive Director
The CRUDE Coalition

Attachment: "An Analysis of U.S. Light Tight Oil Absorption Capacity," Baker & O'Brien, Inc.